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UNCLAS SECTION 01 OF 07 SEOUL 001103

SIPDIS

E.O. 12958: N/A
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SUBJECT: SEOUL - PRESS BULLETIN; July 13, 2009

TOP HEADLINES

Chosun Ilbo, Seoul Shinmun, All TVs
ROK, EU Practically Reach Free Trade Deal

JoongAng Ilbo
Veteran ROK Female Climber Found Dead
After Fall in the Himalaya

Dong-a Ilbo
Court Rules against Labor Union Leaders of Higher Organizations
Arbitrarily Entering Individual Workplaces

Hankook Ilbo, Segye Ilbo
Opposition Democratic Party Ends National Assembly Boycott

Hankyoreh Shinmun
Evidence that Dong-a Ilbo Engaged in Unfair Stock Trading Using
Inside Information

DOMESTIC DEVELOPMENTS

Assistant Secretary of State for East Asian and Pacific Affairs Kurt Campbell will visit the ROK from July 18-20. Attention is being focused on whether his visit will be conducive to holding the envisioned five-way talks between the five members - excluding North Korea - of the Six-Party Talks. (Dong-a)

According to an intelligence source, North Korea has stolen personal information of at least 1.65 million ROK citizens electronically since 2004. (JoongAng, Hankyoreh, Segye, Seoul)

INTERNATIONAL NEWS

In a recent report to the National Assembly, the (ROK) National Intelligence Service (NIS) raised the possibility that a power struggle may erupt following the death of North Korean leader Kim Jong-il between his son and heir apparent, Kim Jong-un, and Jang

Song-taek, the leader's brother-in-law and the purported number two man in the North. (Chosun)

MEDIA ANALYSIS

-President Obama in Ghana

Most ROK media gave attention to President Barack Obama's first official trip to the African continent, focusing their coverage on President Obama's mention of the ROK as a role model for Africa. President Obama was widely quoted as saying in a July 11 speech to the Ghanaian parliament: "Countries like Kenya had a per capita economy larger than South Korea's when I was born. They have badly been outpaced. Disease and conflict have ravaged parts of the African continent."

-N. Korea

Moderate Seoul Shinmun noted Secretary of State Hillary Clinton's July 10 town hall meeting at the State Department, in which she urged North Korea to grant amnesty to the two U.S. journalists held in the North. She was quoted: "The two journalists and their families have expressed great remorse for this incident. And I think everyone is very sorry that it happened. What we hope for now is that these two young women would be granted amnesty through the

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North Korean system and be allowed to return home to their families as soon as possible."

Conservative Chosun Ilbo carried an inside-page report on the (ROK) National Intelligence Service (NIS)'s recent report to the National Assembly, in which the NIS raised the possibility that a power struggle may erupt following the death of North Korean leader Kim Jong-il between his son and heir apparent, Kim Jong-un, and Jang Song-taek, the leader's brother-in-law and the purported number two man in the North. Chosun went on to cite the NIS as predicting that Kim Jong-un officially will be declared his father's successor in 2012, the year North Korea has designated as the year it will build a "powerful and prosperous nation," as their latest slogan reads.

FEATURES

US AMBASSADOR SAYS U.S. TO TAKE 'MULTI-TRACK' APPROACH ON DPRK
(Yonhap News English Edition, July 12, 2009)

By Reporter Lee Chi-dong

The United States will continue to take a "multi-track" approach in dealing with North Korea, enforcing sanctions but also seeking dialogue and showing flexibility, Washington's top envoy here said.

Ambassador Kathleen Stephens reaffirmed that the Barack Obama Administration holds fast to the goal of denuclearizing North Korea through the Six-Party Talks, also joined by South Korea, China, Russia, and Japan.

"The United States will not... accept the notion of North Korea possessing nuclear weapons capability," Stephens said in an interview Friday with Yonhap News Agency at her office in Seoul.

The Ambassador also indicated that the U.S. would be willing to negotiate more room for South Korea's civilian nuclear program through future consultations.

Stephens stressed that on North Korea, the U.S. will "continue to keep the door open for a return to diplomacy, a return to dialogue."

The end goal is getting results, Stephens said on showing flexibility toward Pyongyang. "We don't have a very rigid sense that something must be done exactly one way or the other."

"But what we do insist on is that, one, dialogue and diplomacy is the best way to resolve this, and two, it does have to be on the principle that at the end of the day, we want to see a denuclearized Korean Peninsula."

Pyongyang has been upping the ante for months since Obama took office early this year. It fired a long-range rocket in April that was viewed by South Korea, the U.S. and their allies as a disguised missile test. The following month, it conducted its second nuclear test and coupled its belligerent behavior with threats to further bolster its atomic arsenal and abandon the Six-Party Talks.

Stephens said the U.S. was still analyzing the North's May 25 nuclear test, which had "a force of several kilotons."

The U.S. will take steps to implement U.N. Security Council Resolution 1874, (adopted to punish the North for the atomic test) and will also weigh further countermeasures at the national level, she said.

The Ambassador said the U.S. is trying to share information with other nations on North Korea's illicit trade and financial transactions, adding a recent trip to China and Malaysia by Philip Goldberg, U.S. coordinator for the implementation of the resolution, was a part of those efforts.

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Stephens dismissed growing doubts about the efficacy of the Six-Party Talks, citing progress both in substance and in advancing the negotiating process.

"I think over the last several years, the efforts of the parties to work together on a common problem central to peace and stability in the region has been a process that has developed, and we need to continue to build on that development," she said. "I think that we have developed a habit of cooperation that we need to continue to strengthen."

The Sept. 19, 2005 agreement at the Six-Party Talks, in which the North pledged to give up all its nuclear weapons and programs in return for a package of political and economic incentives, is the "best description" of the desired results, said Stephens.

"We have not given up on that. We may need to adjust both our process and our negotiating approach but I think we still have the right parties involved and I think we still have the right goals in mind," she said.

Stephens, who first established personal ties with South Korea decades ago as a Peace Corp volunteer, came back as a diplomat last year as Seoul and Washington began to sort through a series of issues to update their alliance, which stretches back to the 1950-53 Korean War.

One of the upcoming tasks will be negotiating the expansion of South Korea's civilian nuclear program.

Under a 1974 accord with the U.S., South Korea is banned from enriching uranium and reprocessing spent fuel. The two sides plan to begin talks to revise the agreement later this year, as it is set to expire in 2014.

Stephens said the U.S. "clearly understands" that nuclear energy is very important to South Korea, which depends heavily on oil imports for its energy needs.

The two countries have "a longstanding and continuing tradition" of consulting on peaceful civilian nuclear energy, she said, pointing out that it was mentioned in a joint statement issued after the South Korea-U.S. summit in Washington last month.

"The science changes on these things as well and that's why it's kind of a continual process of making sure that we are well-coordinated, and that we have a clear understanding of the way

to go forward," she said.

"We need to have even deeper consultations and cooperation."

Stephens also said the allies should focus on preparing for the transfer of wartime operational control (OPCON) over South Korean troops back to Seoul in 2012 as scheduled, rather than talking about setting a new deadline.

OPCON was handed over to the U.S. immediately after the outbreak of the Korean War. Some conservatives in South Korea, concerned that the transfer will send the wrong signal to North Korea, want it delayed.

The Ambassador recommended they approach the issue differently.

The right question is whether the transfer in 2012 will be the right step at the right time to strengthen the alliance," not 'is this going to do no harm?'," Stephens said.

"I think the progress we've made to date gives us great confidence that we can indeed achieve this shared goal of operational control transfer because it is the right thing for today's world," she said.

The Ambassador urged North Korea to grant amnesty to the two American journalists detained there, and to treat this as a

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"humanitarian case."

The two female reporters from Current TV, a San Francisco-based Web media outlet, were arrested in March near the North Korean border with China while doing a story on North Korean defectors. The North sentenced them to 12 years of hard labor last month for entering the country illegally and for unspecified "hostile acts."

One of the reporters, Laura Ling, telephoned her sister in California on Thursday and said they did commit a crime and that a government pardon is their only hope for freedom.

"They have gone through the court system and we would like to see an amnesty and their immediate release. I hope they (the North Korean government) will listen to the appeals of our government that they treat this as a humanitarian case," Stephens said.

She would not go into details about the U.S. efforts to win their release, amid reports that Washington may send a high-level envoy to Pyongyang.

US AMBASSADOR STEPHENS SAYS U.S. KEEPING 'DOOR OPEN' TO DIALOGUE WITH DPRK
(Yonhap News, July 12, 2009)

The following are excerpts from a Yonhap News Agency interview with U.S. Ambassador to South Korea Kathleen Stephens.

Q: How does the U.S. assess N. Korea's recent nuke test, and is there a possibility that the U.S. will accept the North's possession of nuclear bombs?

A: Well, first in regard to the May 25th test, our technical experts are still analyzing the situation. But our analysis is that on May 25th, there was a test near Punggye-ri that had a force of several kilotons, but we'll continue to analyze it. In terms of your second question, I mean, the answer is very simple. No. The United States will not ... accept the notion of North Korea possessing nuclear weapons capability. And that, as you know, as reaffirmed recently by the U.N. and the Security Council is the ... unanimous position of the international community as expressed by the Security Council. We believe that the DPRK (North Korea) should return to the NPT (non-proliferation treaty) and should abandon its nuclear weapons program.

Q: Ambassador Philip Goldberg made a recent trip to China and

Malaysia. Under Secretary of Treasury Levey also visited Beijing and Hong Kong. Does the U.S. have new evidence of North Korea's alleged counterfeiting or other illegal activities?

A: I might add to what you've mentioned that the United States has asked Ambassador Philip Goldberg to lead the effort on the U.S. side to implement U.N. Security Council Resolution 1874. And Ambassador Goldberg recently led a delegation to Beijing and also to Kuala Lumpur and had some good discussions there. This is part of our approach, which we've been very transparent about, in the aftermath of North Korea's provocative acts - to consult very closely with our partners and neighbors in the region, to take steps to implement the Security Council resolution, as well as to look at further national steps that we might take. And at the same time, we want to continue to keep the door open for a return to diplomacy, a return to dialogue. So I think you will see this kind of multi-track activity continuing in a very steady way in the coming days and weeks.

Q: North Korea has been refusing to rejoin the six-way talks. Many doubt the efficacy of the talks. Do you think that the talks are still meaningful?

A: I do. And I would say it in two contexts. One, in the context of process. I think over the last several years, the efforts of the parties to work together on a common problem central to peace and stability in the region has been a process that has developed, and we need to continue to build on that development. I think that we

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have developed a habit of cooperation that we need to continue to strengthen. And the other area is in the area of actual substance. The agreement that was reached in September 2005 in the joint statement of principles remains in my mind - and I think in the mind of my government - the best description of what we would like to see as the end result, and we have not given up on that. Now we have suffered setbacks, there is no question about that. And we may need to adjust both our process and our negotiating approach. But I think we still have the right parties involved, and I think we still have the right goals in mind.

Q: Can the U.S. show some flexibility in dealing with North Korea? For example, having bilateral talks within the six-way framework?

A: Yes, and I think if you look at what Ambassador Stephen Bosworth has said, what Secretary Clinton has said and others, I think there's an understanding that we want to get results. We don't have a very rigid sense that something must be done exactly one way or the other. But what we do insist on is that one, dialogue and diplomacy is the best way to resolve this, and two, it does have to be on the principle that at the end of the day, we want to see a denuclearized Korean Peninsula.

Q: What if North Korea wants to hold bilateral talks with the U.S. outside of the six-way format?

A: Well, what we'd like to see North Korea do is to cease and desist, stop the provocative actions, and to demonstrate a readiness to return to the implementation of the September 2005 Joint Statement of Principles. We believe that the other parties in the Six-Party Talks have very important interests in this process as well, and I can't imagine a process that does not include the very important interests of the Republic of Korea as well as other countries.

Q: What do you think of a proposal on five-party consultations without the participation of North Korea?

A: Well, as I said a moment earlier, one of the tracks that we are working on now is continuing consultations with others in the region, notably those within the Six-Party framework. So we will continue to consult like that. We haven't really taken a firm position on exactly how we should meet. We just continue, as you have seen, to have meetings with our allies and our partners throughout the region as people travel around.

Q: Do you have information on the whereabouts of the two U.S.

journalists detained in North Korea?

A: We have been working very closely with the Swedish Ambassador in Pyongyang. As you know, Sweden is the protecting power for the United States because we do not have a diplomatic mission in Pyongyang. And he has been working very, very hard and very steadily to not only obtain news about these two journalists, but also to see them. And I believe he's seen them four times. The last time was on June 23, I believe, which was about three weeks ago. He is also in constant or trying to be in constant contact with the North Korean authorities, but he has seen them four times. And he is asking to see them again. But basically the position of my government is to continue to ask the North Korean authorities to release them with an amnesty. They have gone through the court system, and we would like to see an amnesty and their immediate release.

Q: Do you expect North Korea to change its position and release the reporters? Does the U.S. have a plan to send a high-level envoy to negotiate their release?

A: I am not aware of any statement they've made that I've seen in the press, but I hope they will listen to the appeals of our government that they treat this as a humanitarian case. These are two women with families who very much want to see them come home and we hope the North Korean authorities will see their way towards an amnesty for them. At this moment all I can really say is that for

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us, the protection of U.S. citizens abroad remains a very high priority, and we do want to make every effort we can, but we hope that the North Koreans will bring amnesty to these two individuals.

Q: What do you think about South Korea's push for expanding its civilian nuclear program?

A: Well, to my knowledge, we have not received an official request from the Republic of Korea on this issue. However, we certainly have a longstanding and continuing tradition of very close cooperation and consultation on issues related to peaceful civilian nuclear energy. And in fact, it's something that's mentioned in the joint vision statement that our two presidents released just a couple, a few weeks ago. But we have not been approached by the Korean government in this regard.

We do have kind of a continual discussion about these things. And you know, the science changes on these things as well, and that's why it's kind of a continual process of making sure that we're well-coordinated, that we have a clear understanding - as the science changes - of the way to go forward.

Q: South Korea apparently wants to have the right to enrich uranium, reprocess spent fuel like Japan. What's your opinion?

A: I really think that it's a technical discussion that needs to be continued on the basis of our close alliance, and on the basis of our clear understanding that nuclear energy, the civilian nuclear energy program, is very important to the Republic of Korea, so we need to have even deeper consultations and cooperation.

Q: Some conservatives in South Korea call for a delay in the transfer of OPCON, which is slated for 2012. What's your view?

A: Well, you know because I've followed Korea for so many years, I know that actually this discussion about OPCON and who should have operational control of troops in peacetime and wartime has been around in our discussions for several decades. And as you may recall, the operational control of ROK forces in peacetime was transferred to the ROK in 1994. I think that it is a very natural and appropriate step in the transformation of our joint alliance. Now, over the last few years as this was discussed, as I prepared to come to Korea, I got the sense that, speaking frankly, that underneath there was a sense that maybe the decision on OPCON transfer went to the issue of U.S. commitment in Korea. I think that question has pretty much disappeared because in fact, as I think it's been demonstrated, the U.S. commitment to the Republic of

Korea is as strong or is stronger than ever.

So I think the question now has become, "Is this step in 2012 going to be the right step at the right time to strengthen our alliance and to strengthen our defensive posture?" Because I think the standard should be no less. The standard should be, "Are we going to be stronger as an alliance in our defensive capabilities, in our ability to work together through this?" not, "is this going to do no harm?" We should actually say, "Is it going to strengthen us?" And that is the question that our militaries are looking at every time they take another step towards the planning and implementation of OPCON transfer. So far I think it's going very well. I think the progress we've made to date gives us great confidence that we can indeed achieve this shared goal of operational control transfer because it is the right thing for today's world, for today's capabilities, and do it in a way that actually makes us more capable and stronger, not less. I think what we need to concentrate on is continuing on the path that we're on because I think that it's the right one towards the operational control transfer in 2012.

Q: Does the U.S. have a plan to ask South Korea to dispatch troops to Afghanistan?

A: Well first of all, I mean, the United States does very much appreciate the kinds of contributions that Korea has made and continues to make around the world in Iraq and Afghanistan and a variety of U.N. peacekeeping missions. Korea itself obviously has

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very strong interests in the future stability and prosperity of not only Afghanistan, but also Pakistan and the broader central Asian region. And when our special envoy for Pakistan and Afghanistan, Mr. Richard Holbrooke, was here in April, he had some very good discussions with various people in the Korean government about those growing interests and the growing role that Korea is playing in a variety of countries in Central Asia. And he was very clear that he very much hopes that we can continue to look to the Republic of Korea -- both as an ally and because of its own growing global interests -- to be helpful to the efforts for greater stability and prosperity in that region. But he was also very clear ... this is really up to the Korean government, the Korean people, as to what they want that to be. And that's very much the message that we've reinforced time and again. We look forward to continuing to work with Korea on our joint goals in the region, but we were not then and we are not now going to say that it has to take one form or another. There are a lot of ways Korea has been and can continue to be very helpful.

Q: Do you think South Korea and the U.S. need to hold additional talks on their free trade agreement?

A: What we have said is that we want to find a way forward towards ratification. This is a very ambitious agreement that was reached two years ago, or more than two years ago now I guess, by previous administrations of both our countries, and since then we've had not only new administrations in both countries, but a worldwide economic downturn and an historic crisis in the American auto industry. So we have different factors out there now; what has not changed is the sense, in both the United States and Korea, that this agreement is extremely important both on economic and strategic grounds.

Q: Nine months have passed since you became the U.S. ambassador to South Korea. How is your work and life here?

A: Well, I'm delighted to be in Korea. And I think my expectations, my very high expectations about returning to Korea for the third time to live and to work have been exceeded by my nine months here. Of course it's a challenge and a pleasure to come back to a country that I first came to so many years ago, and to every day think about and reflect on the past and present and the future. So personally, it's very rewarding, but also in a professional sense, when I first came here, I said I felt that the moment was right to try to take the relationship to a new level. And now, nine months later, I feel even more strongly that now is the right time to do that, so it feels like a particular responsibility, but also a privilege, to be here right now. But Korean life is great.

(Editor's Note: The same story was also carried by the July 13 editions of Kyunghyang Shinmun, Maeil Business Newspaper, and Kookmin Ilbo under the respective headline, "Ambassador Stephens: 'We Need to Have Consultations on the ROK's Civilian Nuclear Program,'" "Ambassador Stephens: 'We Will Have Consultations on the ROK's Civilian Nuclear Program,'" and "Ambassador Stephens: 'Peaceful Nuclear Energy Use Is Important to the ROK.'")

STEPHENS